

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

October 28, 2016

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

OAHU

Consent to the Assignment of Grant of Non-Exclusive Easement S-5638, Chevron U.S.A. Inc., Assignor, to Island Energy Services, LLC, Assignee, Honolulu, Oahu, Tax Map Key: (1) 1-1-003:239.

APPLICANT:

Chevron U.S.A. Inc., a Pennsylvania Corporation, as Assignor, to Island Energy Services, LLC, a Delaware limited liability company, as Assignee.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Honolulu, Oahu, identified by Tax Map Key: (1) 1-1-003:239, as shown on the attached map labeled **Exhibit A**.

AREA:

2,339 square feet, more or less.

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CHARACTER OF USE:

Right, privilege, and authority for the installation, use, maintenance, repair, operation, replacement and relocation of subsurface pipelines for the transmission of oil, petroleum, gas, gasoline, water, and other substances.

TERM OF LEASE:

55 years, commencing on September 9, 2000 and expiring on September 8, 2055.

ANNUAL RENTAL:

Not applicable. One-time payment (\$11,825.00) was paid.

CONSIDERATION:

\$10.00.

RECOMMENDED PREMIUM:

Not applicable as the easment does not allow for a premium.

DCCA VERIFICATION:

ASSIGNOR:

Place of business registration confirmed:	YES <u>x</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>x</u>	NO <u>  </u>
Good standing confirmed:	YES <u>x</u>	NO <u>  </u>

ASSIGNEE:

Place of business registration confirmed:	YES <u>x</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>x</u>	NO <u>  </u>
Good standing confirmed:	YES <u>x</u>	NO <u>  </u>

REMARKS:

In 2000, the Board authorized the issuance of the subject easement over portions of State lands managed by the Department. According to the counsel representing the Assignee, the Assignor sold all of its refining, distribution, and retail assets in Hawaii to the Assignee recently. The anticipated date of transfer of ownership will occur on November 1, 2016. Parties request the Board consent to the assignment of the subject easement.

Assignee has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

Staff did not solicit comments from other agencies as the request pertains for housekeeping purposes. There are no other pertinent issues or concerns, and staff recommends the Board consent to the assignment as described above.

RECOMMENDATION:

That the Board consent to the assignment of Grant of Non-Exclusive Easement S-5638 from Chevron U.S.A. Inc., as Assignor, to Island Energy Services, LLC, as Assignee, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General; and
3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

  
Barry Cheung  
District Land Agent

APPROVED FOR SUBMITTAL:

  
Suzanne D, Case, Chairperson

